



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
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**U.S. CHARGES EX-CITIGROUP
OFFICIAL WITH EMBEZZLEMENT AND MAIL FRAUD**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that an Indictment charging IRVING DAVID, a former director of Citigroup Global Markets, Inc. (formerly known as Salomon Smith Barney, Inc.) with embezzling funds from two investment companies. The Indictment was unsealed today in Manhattan federal court.

According to the Indictment, DAVID served as the controller, treasurer and chief financial officer of the Consulting Group Capital Markets Funds (the "Consulting Group Fund"), and as the controller of the Smith Barney World Funds, Inc. (The "Smith Barney World Fund"), two registered investment companies managed by a subsidiary of Citigroup, Inc.

In the course of his duties with the Consulting Group Fund and the Smith Barney World Fund, DAVID periodically received checks intended for the benefit of the funds and their

shareholders. Pursuant to his obligations as controller, treasurer and chief financial officer, DAVID was required to cause the checks to be deposited into an appropriate account for the benefit of the appropriate fund. Instead, the Indictment charges, from November 2000 through January 2003, DAVID engaged in a scheme to defraud Citigroup, Inc., its subsidiaries, the Consulting Group Fund, the Smith Barney World Fund, and their shareholders, by stealing and depositing into his personal bank accounts checks that were intended for the benefit of the funds under his control.

The Indictment alleges that between November 2000 and January 2003, IRVING DAVID stole a total of \$72,870 in checks that were intended for the benefit of the Consulting Group Fund, the Smith Barney World Fund, and their shareholders, and deposited \$47,528 of those checks into his personal bank accounts.

According to the Indictment, the checks included "corporate action checks," issued for the benefit of the Consulting Group Fund and its shareholders in connection with the settlement of class action lawsuits and other corporate actions in which the fund was entitled to receive payment. They also included checks disbursing money held in an "error account," established to correct an error in the calculation of the net asset value of the Smith Barney World Fund.

DAVID was fired from Citigroup Global Markets, Inc. in

January, 2003.

DAVID, 42, lives in Staten Island, New York. He was arrested this morning and is expected to make his first court appearance today in Manhattan federal court.

Mr. COMEY is a member of President Bush's Corporate Fraud Task Force, and thanked the Securities and Exchange Commission for their work in this investigation.

Assistant United States Attorney JOAN M. LOUGHNANE is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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